



## **Request for City Council Committee Action From the Department of Public Works**

Date: November 14, 2002

To: Transportation and Public Works Committee

Referral to: Ways and Means Committee

**Subject:** Shafer Metal Recycling Site Cleanup

**Recommendation:** Receive and file.

Pursuant to advice of the city attorney, this action is to advise the council that, unless otherwise directed by the Council, it is the intention of the City Attorney, with the concurrence of the City Engineer, to sign the attached Shafer Metal Recycling Site Partnership Agreement to enable Mn/DOT to access funds previously paid by the responsible party group for site cleanup at the Shafer Metal Recycling Superfund Site pursuant to the general authorization contained in a City Council action of April 7, 2000

**Previous Directives:** Transportation & Public Works Committee and Ways & Means/Budget Committee action of April 7, 2000 authorizing the City Attorney to enter into potentially responsible party group participation, pay \$14,000 for site cleanup and "enter into any other customary or necessary documents for the purpose of settling the City's liability at said site".

Prepared or Submitted by: Kevin J. Danen, P.E., Superintendent of Environmental Engineering, 673-5627

Approved: Brian J. Lokkesmoe, P. E., City Engineer, Director of Public Works

By: Michael D. Kennedy, P.E.

Presenters in Committee: Brian J. Lokkesmoe, P.E.

### **Financial Impact** (Check those that apply)

☒ No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

**Background/Supporting Information Attached**

- The Shafer Metal Recycling Site, also known as the Union Scrap II Site (“Site”), located at 129 Plymouth Avenue North, Minneapolis, Minnesota, has been identified as a Superfund site and is the subject of a cleanup directive.
- The Shafer Metal Recycling Group (“Group”) consists of the authorized representatives of the parties responsible for cleaning up the Site.
- The City of Minneapolis is a member of the Group.
- In April of 2000, the Group entered into the Shafer Metal Recycling Group Participation and Settlement Agreement (“Settlement Agreement”) to allocate responsibility among themselves; established a Custody Fund at Norwest Bank to serve as a repository for payments from Group members; and delegate responsibility for managing the cleanup contracts.
- In April of 2000, the Transportation & Public Works and Ways & Means/Budget Committees “recommends that the City Attorney be authorized to enter into a consent order with the Minnesota Pollution Control Agency, enter into a group participation and settlement agreement with other responsible parties at the Shafer Metal Recycling Site and enter into any other customary or necessary documents for the purpose of settling the City’s liability at said site. Further that the proper City officers be authorized to pay \$14,000 upon the request of the City Attorney to a potentially responsible party (PRP) group, other entity or trust account to be identified as part of said agreements.”
- In August 2001, the Minnesota Pollution Control Agency (“MPCA”), pursuant to its authority under Minn. Stat. chs. 115 and 116, signed the Consent Order for cleanup of the Site. All Group members signed the Consent Order.
- As primary responsible party at the Site, Mn/DOT assumed responsibility for managing the cleanup contracts on behalf of the Group.
- The cleanup funds, originally deposited in a Custody Fund at Norwest Bank, must be properly deposited in a state account under Mn/DOT control in order for Mn/DOT to access the funds to pay for the cleanup.
- The Minnesota Department of Transportation (Mn/DOT) as an agency of the State, does not have authority to access the custody fund at Wells Fargo Bank set up to pay for the Safer Site cleanup. For Mn/DOT to access the cleanup funds, a Partnership Agreement must be signed by all group members, thereby allowing the funds to be transferred to a State account. The transfer of funds is strictly to allow Mn/DOT access to the funds to pay for the cleanup as previously agreed.
- This action is to give notice of the intent of City personnel to act on the prior authorization of April 7, 2000 in order to allow Mn/DOT to access the funds

previously paid and set aside for cleanup and to manage and pay for the project cleanup activities.

Attachments: Site Location Map

April 7, 2000 Council Action

Shafer Metal Recycling Site Partnership Agreement

Cc: Council Member Natalie Johnson Lee